TITLE: Developing Affordable Housing through rehabilitation or preservation

I. INTRODUCTION AND BACKGROUND

The purpose of this document is to provide interested parties with information to enable them to prepare and submit a proposal and to inform them of basic requirements that the County uses as part of its standard contract process. Your proposal should include the completed CDBG Application for Developing Affordable Housing through rehabilitation or preservation.

Standard contract requirements concerning Affirmative Action, the Americans with Disabilities Act, Davis/Bacon/ contract termination and modification, etc. are included in the County's boilerplate contract.

II. SCOPE OF THE PROJECT

A. PROJECT DESCRIPTION

Milwaukee County is soliciting applications from organizations interested in developing affordable housing through rehabilitation or preservation of properties located within the Milwaukee County Urban County CDBG Consortium. Funding is expected to be available under the HUD-funded Community Development Block Grant (CDBG) program.

Eligible Applicants

In order to be considered for financing, applicants must meet the following requirements:

ELIGIBLE APPLICANTS

- Public or private non-profit agencies or organizations including faith-based organizations, units of local government, and Community-Based Development Organizations.
- Be legally capable of entering into a binding agreement;
- Be a U.S. Citizen or legally admitted resident alien;
- Demonstrate that the project is economically viable.
- Be current on all personal and business income and property taxes, and mortgage payments on subject property;
- Organizations that are religious or faith-based are eligible, on the same basis as any
 other organization, to participate in the HOME program. Faith-based organizations are
 required to comply with the requirements under 24 CFR 92.257.

Eligible Properties

- 1. The property must be located in one of the participating municipalities of Milwaukee County Urban County CDBG Consortium.
- 2. Eligible properties may be publicly or privately owned; and residential or mixed use.
- 3. Property must pass an environmental review conducted by Milwaukee County Community Development Block Grant staff before funds will be committed.

TITLE: Developing Affordable Housing through rehabilitation or preservation

4. Property must meet all applicable State and local code requirements, and must meet the housing quality standards in 24 CFR 982.401 by project completion.

Eligible Expense Categories

The following categories of expense shall be considered eligible for funding under the program.

- Architectural, engineering or related professional services including preparing plans, drawings, specifications, work write-ups, and job progress inspections;
- Legal and accounting fees, including cost certification;
- Environmental reviews;
- Builders' or developers' fees;
- Costs of impact fees that are charged to all projects in a jurisdiction;
- Affirmative marketing, initial leasing, and marketing costs;
- Other soft costs for processing and settling the financing for a project, such as credit reports, title binders and insurances, fees for recordation and filing of legal documents, building permits, and private appraisal fees.

Please note that Federal Labor Standards, including the payment of prevailing wages under Davis-Bacon, may apply to the project.

Ineligible Expense Categories

The following categories of expense shall be considered ineligible for funding under the program.

- Refinancing of existing debt;
- New construction of decks, fireplaces, outbuildings, or recreational or entertainment facilities;
- Construction items and expenses that are completed before project approval.

Type Of Assistance

Grant.

Property Standards

a. Housing that is being constructed with CDBG and/or HOME funds must meet all applicable state and local codes, ordinances, and zoning ordinances at the time of project completion.

TITLE: Developing Affordable Housing through rehabilitation or preservation

- b. Newly constructed housing must meet the current edition of the Model Energy Code published by the Council of American Building Officials. The units constructed under this Agreement shall conform to the Rental Unit Energy Efficiency Standards established by the Wisconsin Department of Industry, Labor, and Human Relations.
- All housing must meet the accessibility standards of the Fair Housing Act and Section 504 of the Rehabilitation Act of 1973.
- d. Rental project owners must maintain the housing in compliance with all applicable State and local requirements, and the housing quality standards in 24 CFR 982.401 through the affordability period.

Qualification as Affordable Housing

Housing units assisted under this Agreement shall meet the provisions of 24 CFR 92.252: "Qualifications as Affordable Housing: Rental Housing."

Tenant Income Eligibility Requirements

- 1. The CDBG/HOME assisted units will meet the provisions of 24 CFR 92.216: "Income Targeting: Tenant-based Rental Assistance and Rental Units."
- The income of each tenant will be determined in accordance with 24 CFR 92.203.
- 3. In addition, each year during the period of affordability, the property owner or his/her representative must re-examine each tenant's annual income in accordance with 24 CFR Part 5 Guidelines (Part 5 Annual Income.)

Federal Labor Standards

These HUD requirements apply to projects with 12 or more HOME-assisted units and apply to the entire project, not just the portion funded by County CDBG or/and HOME funds. If a grant contract is awarded and Davis-Bacon will be triggered, labor standards requirements will be described in detail in the contract with the County. Additional information also can be obtained in the HUD Contractor's Guide to Prevailing Wage Requirements for Federally-Assisted Construction Projects at http://www.hud.gov/offices/olr/library.cfm.

1. OBJECTIVES

To develop affordable rental housing for low-and-moderate income residents of the participating communities of the Milwaukee County Urban County CDBG Consortium.

2. **NEEDS/EXPECTATIONS**

- 1. Projects must assist low-and-moderate-income persons in the participating municipalities of the Milwaukee County Urban County CDBG Consortium.
- 2. It is expected that projects will meet documented community needs. This includes needs identified in the *Milwaukee County Consolidated Plan 2010-2014* available on the County web site at:

http://county.milwaukee.gov/HealthampHumanServic7753/HousingDivision/Programs/CDBG-Program/Project-Funding.htm

and through other "hard" data sources.

TITLE: Developing Affordable Housing through rehabilitation or preservation

- Any additional funding needed to make the project viable must be secured in order for a contract to be executed.
- 4. Projects must be shovel-ready, meaning that construction will begin in the year in which the contract is awarded.
- Projects must be delivered in a cost effective manner with measurable performance outcomes.
- 6. It is expected that all or a portion of funds will be targeted to areas of greatest need.

7. MAXIMUM FUNDING

The amount of funding available for this category is unknown at this time.

The County reserves the right to reject any and all proposals and to negotiate the terms of the contract, including the award amount, with the selected proposer prior to entering into a contract. If contract negotiations cannot be concluded successfully with the highest scoring proposer, the County may negotiate a contract with the next highest scoring proposer.

III. APPLICATION

Proposal Organization and Format – Required Form

Proposals should be submitted using the *Milwaukee County 2013 CDBG Application*. Please note: If a LHITC Application has been submitted to WHEDA for this project, the Proposer should submit a copy of the WHEDA application to the application packet. The Proposer will then only need to respond to items on the first page and the asterisked items on the remaining pages of the application.

This application requires that **resumes** of key staff be attached to the application.

Multiple Proposals

Multiple proposals from a vendor will be permissible, however each proposal must conform fully to the requirements for proposal submission. Each such proposal must be separately submitted and labeled as Proposal #1, Proposal #2, etc.

Required Copies

Proposers must submit **seven (3) of copies** of all materials required for acceptance as stated in this RFP. Proposers are required to submit one electronic copy in either PDF or Word format to Damon.Dorsey@Milwcnty.com.

IV. EVALUATION CRITERIA

Proposals will first be reviewed for project eligibility; those that are deemed eligible will then be scored. Scoring of proposals will be as follows:

TITLE: Developing Affordable Housing through rehabilitation or preservation

Application Review Criteria		
Item	Available Points	
Need and Justification	15	
2. Benefit to Low-and-Moderate Income	5	
3. Program/Project Approach	24	
4. Jurisdiction	20	
5. Experience and Qualifications	16	
6. Program Budget and Other Sources of Funds	5	
7. Past Performance	15	
TOTAL POINTS	100	

- Need and Justification (15 points maximum): The proposed activity overview adequately describes the problem that is being addressed by the proposed project (worth up to 5 points). Statements are substantiated and related to the needs and the priorities in the 2010 2014 Consolidated Plan (worth up to 5 points). Provides a description of how funds may be targeted to areas of greatest need (worth up to 10 points)
- 2. **Benefit to Low-and-Moderate Income Persons (5 points maximum):** The application describes the population to be served. Additional points will be given to projects located in census tracts where 42.9% of the population is considered low-and-moderate income.
- 3. Project Approach (24 points maximum): The application describes what the program/project will do; how it will be implemented, operated, and administered within a realistic time period; and how low-income participants will access services. The description should include:
 - A description of the work that will be undertaken and a description of how the work will address the identified problem (worth up to 10 points).
 - Identifies any partnerships that have been or will be formed to ensure the success of the project. (worth up to 5 points).
 - A work plan for how the project/program will be organized, implemented, operated, and administered, and the timeline and milestones from initiation to completion. Work on the project meaning funds will be spent will begin 2012 (worth up to 5 points).
 - Outreach and marketing initiatives that will be implemented to inform potential participants and to ensure that they are aware of the services/activities to be provided (worth up the 5 points.)
 - Outcomes are identified and can reasonably be expected to be achieved (worth up to 3 points).
- 4. **Jurisdiction (20 points maximum):** The degree to which the proposed project served residents in the Milwaukee County CDBG jurisdiction. The greater the jurisdictional impact the higher the score.
- 5. Experience and Qualifications (16 points maximum): The application provides documentation to justify the organization's capacity to conduct this project. The project is consistent with the mission of the organization. The organization has undertaken projects of similar complexity to the one for which funds are being required (worth up to 3 points). There are staff resources with the skills and experience to administer and

TITLE: Developing Affordable Housing through rehabilitation or preservation

conduct an accountable and responsible project (worth up to 10 points). There appears to be adequate board and management oversight along with a commitment to quality and service improvement (worth up to 2 points).

- 6. Budget and Other Sources of Funds (5 points maximum): The application clearly explains and justifies each proposed budget line item and why CDBG and/or HOME funding is required to make the project viable. The budget is realistic. Efforts have been made to secure other funding for the project. The application identifies eligible sources of match, if required.
- 7. Past Performance (15 points maximum): If the organization has been previously funded, a review of past expenditures and performance shows that the organization has been able to meet timeless and goals in a reasonable fashion, i.e., no unexpended dollars from 2010. Compliance with the contract will include but not be limited to submission of reports and adherence to scope of services (Worth up to 10 points with maximum points being awarded to projects.)

V. SPECIAL CONTRACT TERMS AND CONDITIONS

Procurement

- Contractors of County CDBG funding will comply with the procurement standards under 24 CFR 85.36 for governmental contractors and 24 CFR 84.40-48 for contractors that are non-profit organizations, including the requirements for bonding in procurement.
- The Contractor is the responsible authority, without recourse to HUD or the County regarding the settlement of all contractual and administrative issues arising out of the procurement entered in support of the award or other agreement.
- The Contractor shall conduct all procurement in a manner to provide to the maximum extent practicable, open and free competition. Contractors that develop or draft specifications, requirements, statement of work, invitations for bids or requests for proposals shall be excluded from competing for a project.
- 4. General requirements for procurement include, but are not limited to:
 - a. Contractors must maintain records to detail the significant history of procurement. These records include, but are not limited to: files on the rationale for selecting the method of procurement used, selection of the contract type, the contractor selection/rejection process, and the basis for the cost or price of a contract.
 - b. Pre-qualified lists of vendors/contractors, if used, must be current, developed through open solicitation, include adequate numbers of qualified sources, and must allow entry of other firms to qualify at any time.
 - c. Steps should be taken to assure that women and minority businesses are utilized when possible as the sources of supplies, equipment, construction and services.
 - d. Contractors must ensure that awards are not made to any party that is debarred or suspended or is otherwise excluded from or ineligible for participation in the Federal assistance programs under Executive Order 12549.
 - e. There must be written selection procedures for procurement transactions.
 - f. Contractors must not use *cost plus a percentage of cost* pricing for contracts. In addition, Contractors should use *time and material* type contracts only after a determination is made that no other contract type is suitable and the contract includes a ceiling price that the contractor exceeds at its own risk.
 - g. Contractors must have protest procedures in place to handle and resolve disputes relating to their procurement and in all instances report such disputes to the County.

TITLE: Developing Affordable Housing through rehabilitation or preservation

- h. There must be a documented system of contract administration for determining the consistency of contractor performance.
- Contractors must have a written code of conduct governing employees, officers, or agents engaged in the award or administration of contracts.

Excluded Parties List System (EPLS)

No contracts may be awarded to any party that is debarred or suspended or is otherwise excluded from participation on federal assistance programs.

Federal Labor Standards

These HUD requirements apply to projects with 12 or more HOME-assisted units and apply to the entire project, not just the portion funded by County HOME funds. If a grant contract is awarded and Davis-Bacon will be triggered, labor standards requirements will be described in detail in the contract with the County. Additional information also can be obtained in the HUD Contractor's Guide to Prevailing Wage Requirements for Federally-Assisted Construction Projects at http://www.hud.gov/offices/olr/library.cfm.

Lobbying Certification

Prior to entering into an agreement to provide services, the contractor will be required to sign a certification attesting to the following:

- No federally appropriated funds have been paid, or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any federal contract, the making of any federal contract, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.
- 2. If any funds other than federally appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this federal contract, grant, loan, or cooperative agreement, the undersigned shall complete Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
- 3. The contractor shall require that the language of this CERTIFICATION be included in the award documents for all sub-awards at all tiers (including subcontractors, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

Equal Opportunity Clause

During the performance of this contract, the contractor agrees as follows:

 The contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The contractor will take affirmative action to ensure that applicants are employed, and that employees are treated

TITLE: Developing Affordable Housing through rehabilitation or preservation

during employment, without regard to their race, color, religion, sex or national origin. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of this nondiscrimination clause.

- 2. The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex or national origin.
- 3. The contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the agency contracting officer, advising the labor union or workers' representative of the contractor's commitments under Section 202 of Executive Order 11246 of Sept. 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
- 4. The contractor will comply with all provisions of Executive Order 11246 of September 24, 1965, as amended by Executive Order 11375 of October 13, 1967 and with the rules, regulations, and relevant orders of the Secretary of Labor.
- 5. The contractor will furnish all information and reports required by Executive Order 11246 of September 24, 1965 as amended, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his/her books, records, and accounts by the contracting agency, Milwaukee County, HUD, and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.
- 6. In the event of the contractor's noncompliance with the nondiscrimination clauses of this contract or with any of such rules, regulations, or orders, the contract may be cancelled, terminated, or suspended in whole or in part and the contract may be declared ineligible for further government contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965 as amended, and such other sanctions may be imposed or remedies invoked as provided in Executive Order No. 11246 of September 24, 1965 as amended, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

The contractor will include the provisions of paragraphs 1 through 7 in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of Executive Order 11246 of September 24, 1965 as amended, so that such provisions will be binding upon each subcontract or vendor. The contractor will take such action with respect to any subcontract or purchase order as the contracting agency and/or County of Milwaukee may direct as a means of enforcing such provisions, including sanctions for noncompliance.

Affirmative Action to Ensure Equal Employment Opportunity (EO 11246)

This section is applicable to construction contracts/subcontracts exceeding \$10,000...

1. The Offeror's or Bidder's attention is called to the "Equal Opportunity Clause" and the "Standard Federal Equal Employment Opportunity Construction Contract Specifications" set forth herein.

TITLE: Developing Affordable Housing through rehabilitation or preservation

2. The goals and timetables for minority and female participation, expressed in percentage terms for the contractor's aggregate workforce in each trade on all construction work in the covered area, are as follows:

Goals for Women = 5.0 percent (this goal applies nationwide)

Goals for minority participation = **20.0 percent** (this goal applies county-wide)

These goals are applicable to all the contractor's construction work (whether or not it is federal or federally assisted) performed in the covered area. If the contractor performs construction work in a geographic are located outside of the covered area, it shall apply the goals established for such geographic area where the work is actually performed. The contractor is also subject to the goals for both its federal and nonfederal construction.

- 3. The contractor's compliance with the Executive Order and the regulations in 41 CFR Part 60-4 shall be based on its implementation of the Equal Opportunity Clause, specific affirmative action obligations required by the specifications set forth in 41 CFR 60-4.3 (a), and its efforts to meet the goals established for the geographical area where the contract resulting from this solicitation is to be performed. The hours of minority and female employment and training must be substantially uniform throughout the length of the contract and in each trade, and the contractor shall make a good faith effort to employ minorities and women evenly on each of its projects. The transfer of minority or female employees or trainees from contractor to contractor or from project to project for the sole purpose of meeting the contractor's goals shall be a violation of the contract, the Executive Order, and the regulations in 41 CFR Part 60-4. Compliance with the goals will be measured against the total work hours performed.
- 4. The contractor shall provide written notification to the awarding agency and the County of Milwaukee within 10 working days of award of any construction subcontract in excess of \$10,000 at any tier for construction work under the contract resulting from this solicitation. The notification shall list the name, address, and telephone number of the subcontractor; employer identification number; estimated dollar amount of the subcontract; estimated starting and completion dates of the subcontract; and the geographical area in which the contract is to be performed.

Section 3

New construction of rental housing is considered a covered project for the purposes of Section 3.

Section 3 is triggered when the normal completion of construction and rehabilitation projects creates the need for new employment, contracting, or training opportunities.

HUD considers recipients of covered funding to be in compliance with Section 3 if they meet the numerical goals set forth at 24 CFR Part 135.30. Specifically:

- a. 30 percent of the aggregate number of new hires shall be Section 3 residents;
- b. 10 percent of the total dollar amount of all covered construction contracts shall be awarded to Section 3 business concerns; and
- c. 3 percent of the total dollar amount of all covered non-construction contracts shall be awarded to Section 3 business concerns.

TITLE: Developing Affordable Housing through rehabilitation or preservation

All Section 3 covered contracts (contracts to direct recipients in excess of \$200,000, for Section 3 covered projects, and subcontracts excess of \$100,000) shall include the following clause (referred to as the Section 3 clause) in all bid documents, contracts, and subcontracts:

- A. The work to be performed under this contract is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (section 3). The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by Section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.
- B. The parties to this contract agree to comply with HUD's regulations in 24 CFR part 135, which implement Section 3. As evidenced by their execution of this contract, the parties to this contract certify that they are under no contractual or other impediment that would prevent them from complying with the part 135 regulations.
- C. The contractor agrees to send to each labor organization or representative of workers with which the contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the contractor's commitments under this Section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the Section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.
- D. The contractor agrees to include this Section 3 clause in every subcontract subject to compliance with regulations in 24 CFR part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this Section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR part 135. The contractor will not subcontract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR part 135.
- E. The contractor will certify that any vacant employment positions, including training positions, that are filled (1) after the contractor is selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR part 135 require employment opportunities to be directed, were not filled to circumvent the contractor's obligations under 24 CFR part 135.
- F. Noncompliance with HUD's regulations in 24 CFR part 135 may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD assisted contracts.
- G. With respect to work performed in connection with Section 3 covered Indian housing assistance, section 7(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450e) also applies to the work to be performed under this contract. Section 7(b) requires that to the greatest extent feasible (i) preference and opportunities for training and employment shall be given to Indians, and (ii) preference in the award of contracts and subcontracts shall be given to Indian organizations and Indian-owned Economic Enterprises. Parties to this contract that are subject to the provisions of Section 3 and section 7(b) agree to comply with Section 3 to the maximum extent feasible, but not in derogation of compliance with section7(b).

TITLE: Developing Affordable Housing through rehabilitation or preservation

VI. Contact Information

Please check the website routinely to receive any updates or changes to this RFP. For clarifications or questions concerning this application your contact is listed below. Responses to questions submitted will be posted to the website.

Contact: Damon Dorsey

E-Mail: Damon.Dorsey@Milwcnty.com

VII. Application Workshops

Three application workshops will be held to assist applicants. Space is limited. Please contact Damon Dorsey at 278 – 4780 to reserve seat.

July 2, 2012 10:00 am	Application Workshops
Ind. 44 2042	Housing Division
July 11, 2012 1:00 pm	2711 W. Wells St Rm 100
July 18, 2012 3:00 pm	Milwaukee, WI
	Call (414) 278 – 4780 to RSVP, space limited

VIII. Timeline

June 25 th	Applications Available
7/2, 7/11, 7/18	Application Workshop
July 27, 2012, 4 p.m	Applications due from vendors
Sep. 17, 20012 Sep. 24,	Public Hearing #2: Presentation of CDBG projects Community and Economic Development Committee meeting (regularly scheduled committee meeting)
2012(tentative date)	Community and Economic Development Committee approval of allocation recommendations of CDBG and HOME funds for 2013 program year activities (special committee meeting)
Sep 27, 2012	County Board of Supervisors approves CDBG and HOME funds for 2013 program year activities (regularly scheduled full board meeting)

Your completed proposal should include the following:

1) An electronic copy of the application and supporting materials submitted to:

Damon.Dorsey@Milwcnty.com

- 2) Six (6), 3-hole punched, copies of the completed Milwaukee County Application for 2013 CDBG Funds Home Repair.
- 3) Incomplete or inadequate applications are subject to rejection.
- 4) Late applications (submitted after the 4 pm, July 27th deadline) will not be accepted.

TITLE: Developing Affordable Housing through rehabilitation or preservation

- 5) No applications will be accepted via electronic transmission media.
- 6) Additional information requested in Section III above.

Submit your completed proposal to:
 Milwaukee County
 Housing Division/CDBG
 Attn: <u>Damon Dorsey</u>
 2711 W Wells St Rm 100
 Milwaukee, Wisconsin 53211

Proposals are due no later than July 27th, 2012 at 4 p.m.